

THE PRESIDENT'S INTELLIGENCE CHECKLIST

7 MAY 1962

~~TOP SECRET~~



1. Laos

a. Our military advisers, who were in Nam Tha when the Communists attacked, say that the Royal Army gave a better account of itself than in any previous engagement. The retreating forces, however, are probably in for some more knocks. Last Thursday, the Soviet airlift suddenly became active over the Muong Houn area (90 miles southeast of Nam Tha) in what looks to be very much like a developing effort to seal off all of northwestern Laos.

b. The Nam Tha debacle will give impetus to the growing conviction among non-Communist Laotians that Phoumi's leadership is bankrupt.

some national assemblymen.

may try for a no-confidence vote against the Boun Oum government at the next session of the assembly which begins on Friday, and ask former premier Phoui Sananikone to take charge. They reason that Phoui is the only remaining Vientiane figure who might be able to work out a deal with Souvanna.

c. Souvanna, meanwhile, has told us that he is prepared immediately to return to Laos to resume negotiations for a coalition government, but this was before news of the Nam Tha affair broke. He has undoubtedly been shaken by this turn of events

The chances are thus very good that Souvanna is once again weighing the pros and cons of throwing in the towel.

d. As expected, Hanoi and Peiping are claiming that they took Nam Tha only after having to "repulse" a Phoumi offensive.

e. We expect a strong reaction from Sarit, who may backslide and renew demands that SEATO take a hand in Laos.

2. Venezuela

The uprising at Carupano has been suppressed and its leaders taken prisoner. Aside from a few isolated sympathy sputterings here and there, loyal government forces seem to have this particular revolt reasonably well in hand. Betancourt, however, may not yet be out of the woods as some hitherto loyal rightist military leaders are unhappy at the continuing unrest.

3. Sino-Indian border problem



No further clashes have been reported, but New Delhi continues to beef up its forces in the Ladakh area, and Peiping maintains what appears to be an ominous silence. As best we can make out at this juncture, the 50X1
dians have in mind seizing only a small portion of Chinese-held territory in Ladakh and then waiting to see if they get away with it. There has also been some talk of establishing a number of outposts behind Chinese positions by way of a starter in asserting New Delhi's sovereignty over the disputed territory.

4. USSR to move for recess of disarmament conference

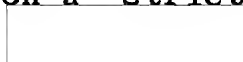


Zorin contends that a two-month break, beginning the first of June, 50X1
is necessary because of the unbridgeable gap between the positions of the US and USSR on fundamental issues. He proposes that the conference close out its work in Geneva by spelling out all these differences in documentary form for submission to the UN as its formal report, that delegates utilize the recess to consult with their governments, and that the conference reconvene in New York. So far, the response of the neutrals (and U Thant) to this pitch has been distinctly cool.

5. Sino-Soviet economic relations



The USSR plans to ship a quarter million tons of food grains to China next month, probably as part of a three-way transaction under which Peiping will make a similar amount of Canadian wheat available to Moscow for distribution to the European satellites. The swap, like the one made last year involving 300,000 tons both ways, appears to have been negotiated on a "strictly business" basis.



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NOTES

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- A. We have good evidence that a Soviet trawler which has been cruising off the east coast since February has been probing for intelligence on some of our naval exercises, [REDACTED]

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- B. A Soviet research ship which was stationed in the Indian Ocean to observe effects of high altitude shots in the Soviet 1961 test series sailed from Vladivostok late last week and is now about halfway between Japan and Midway. [REDACTED]

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- C. Moscow, working to develop a north African air route, has formally requested Libya to grant overflight and landing privileges to Soviet civil aircraft. The Libyans, who are loath to appear out of step with other African countries, will probably accede. [REDACTED]

- D. Public morale in Baghdad is said to have hit a new low as the city continues to seeth with rumors of conspiracy against Qasim. The police are definitely mixed up in some sort of shenanigans [REDACTED]

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- E. Congo negotiations remain on dead center as Tshombé, still stricken with diplomatic flu, shows UN representatives no signs of budging on specifics that would make talks with Adoula meaningful. [REDACTED]

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F. Milovan Djilas will probably be placed on trial in Belgrade next week on charges that his recent book on Stalin revealed "official secrets" that are damaging to Yugoslavia's interests.

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G. Antonio Segni's bitterly contested election to the Italian presidency yesterday promises new headaches for Fanfani. The new president has never approved of Fanfani's "opening to the left," and we anticipate a flare-up of factional stresses among the Christian Democrats.

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H. Yugoslav Foreign Minister Popovic is about to begin a tour of Latin America which will take him to Brazil, Chile, Bolivia, and Mexico. He expects to return to Belgrade via the US.

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DOCUMENTS OF INTEREST

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II.

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THE DIRECTOR OF CENTRAL INTELLIGENCE